

Canadian Cottons Limited

MONTREAL, CANADA

SIXTH ANNUAL REPORT

FOR YEAR ENDING 31ST MARCH, 1916

PRESENTED TO THE SHAREHOLDERS
AT THE ANNUAL MEETING OF THE COMPANY
HELD AT MONTREAL, THE 22ND MAY, 1916

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BOARD OF DIRECTORS

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CHAS. R. HOSMER

Vice-President

A. O. DAWSON

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GEORGE CAVERHILL SIR H. MONTAGU ALLAN

D. MORRICE

A. O. DAWSON, *Managing Director*

A. BRUCE, *Secretary-Treasurer*

Canadian Cottons

Limited

TO THE SHAREHOLDERS:

YOUR Directors are pleased to submit their Sixth Annual Report for the financial year ending March 31st, 1916.

A year ago your Directors stated that the outlook was encouraging. The results obtained have fully justified their anticipations, and they confidently believe that the coming year will also be a prosperous one.

The additional equipment installed during the past three or four years placed the Company in a position to avail itself of the increased demand that has arisen for its products. Sales for the year amount to \$5,540,214.92, as against \$3,321,160.79 for the previous year.

Advances in selling prices, necessitated by increased cost of materials and of manufacturing, have only been put into effect where absolutely unavoidable. This policy has been appreciated by the Trade, from whom we have received many expressions of satisfaction.

The dyestuffs situation has, throughout the year, been the cause of constant anxiety, but sufficient quantities have been obtained, from time to time, to enable your Mills to run to their full capacity. The Directors desire to record their appreciation of the treatment accorded the Company by manufacturers of these products in England, and by the British Government in permitting the export of dyestuffs under special license.

Your Plants and Properties have been maintained in a state of efficiency, and after making adequate allowance for depreciation, the Manufacturing Profits and Rentals amount to \$716,548.73, as against \$573,877.89 last year.

After deducting Bond Interest, Dividend on Preferred Shares, and \$10,000.00 carried to Reserve for bad debts, there remains at the credit of Profit and Loss Account the sum of \$277,158.73 (against \$133,937.89 last year), which, added to the balance of last year \$1,103,163.76, leaves \$1,380,322.49 to the credit of that account on 31st March, 1916.

Your Directors desire to call your attention to the substantial reduction that has been made in Loans from the Company's Bankers, and to the increase in the Company's Liquid Assets.

The Directors desire to bear testimony to the efficient service rendered by the Employees throughout the year, and as an appreciation of the same the Company has made an advance in wages of some 5% at all its Mills.

The Books and Accounts of the Company have been duly audited, and the Auditor's Report is submitted herewith.

Respectfully submitted,

CHAS. R. HOSMER,

President.

Canadian Cotton

MANUFACTURING

FOR YEAR ENDING

DR.

To Raw Material, Manufacturing Cost, Marketing
of Products, Administration, Repairs, Maintenance,
and Depreciation - - - - \$4,378,185.12

To Balance

Net Profits to Profit and Loss Account - - 515,114.32
\$4,893,299.44

PROFIT AND LOSS

FOR YEAR ENDING

To Bond Interest 5% - - \$209,700.00
" Dividend Preferred 6% - 219,690.00
\$429,390.00

Reserve for Bad Debts - - 10,000.00

Balance forward - - - 277,158.73
\$716,548.73

ons, Limited

ING ACCOUNT

1st MARCH, 1916

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By Sales - - - - - \$5,540,214.92

Add inventory of Cloth and Cotton in process of
Manufacture, 31st March, 1916 - - - 649,660.20
\$6,189,875.12

Less inventory of Cloth and Process on hand
31st March, 1915 - - - - - 1,296,575.68
\$4,893,299.44

SS ACCOUNT

31st MARCH, 1916

By Net Manufacturing Profits - - - - - \$515,114.32

By Rentals, Mount Royal Spinning Mill, etc. - 201,434.41
\$716,548.73

Canadian Cotton

GENERAL

YEAR ENDING

ASSETS

Cash - - - - - \$ 44,070.89

Open Accounts and Bills Receivable
net cash basis - - - - 731,287.69

Inventory of

Cloth - - \$312,692.68

Process and Yarns 251,060.90

Raw Cotton - 470,032.12

Supplies - - 144,394.84

Insurance unearned 44,500.00

1,222,680.54

Total Current Assets \$1,998,039.12

Bonds, available against Liability - 617,000.00

Stocks in other Companies and
advances, including Discount on

Bonds - - - - - 318,800.00

PROPERTIES

Mills, Properties, Plants, Waterpowers, etc. - \$10,789,295.33

\$13,723,134.45

Verified,

ARTHUR H. PLIMSOLL, F.C.A. (Can.), Auditor.

tons, Limited

STATEMENT

31ST MARCH, 1916

LIABILITIES

Bank Advances	-	-	-	\$476,301.60	
Open Accounts	-	-	-	415,677.37	
Bond Interest accrued and Dividend payable April 4th	-	-	-	107,422.50	
Bills Payable	-	-	-	98,436.14	
Total Current Liability					\$1,097,837.61

<u>BONDS</u>	-	-	-	-	5,000,000.00	
Less redeemed	-	-	-	-	189,000.00	
						4,811,000.00

CAPITAL

Preferred Authorized,						
\$4,500,000.00,	-	-	-	Issued	3,661,500.00	
Common Authorized,						
\$3,500,000.00,	-	-	-	Issued	2,715,500.00	
Reserve for Bad Debts	-	-	-			56,974.35

SURPLUS

Balance at Credit of Profit and Loss, 31st March, 1915	-	1,103,163.76				
Accrued Profits to 31st March, 1916			277,158.73			
					\$1,380,322.49	
						\$13,723,134.45

A. BRUCE, Secretary-Treasurer.

AUDITOR'S REPORT

Montreal, 4th May, 1916

MESSRS. THE PRESIDENT AND DIRECTORS OF
CANADIAN COTTONS, LIMITED
MONTREAL

Gentlemen,

I have audited the books and accounts of the Company for the year ending the 31st March, 1916.

I certify that: 1°, the Manufacturing Account, based in results upon the certified inventory presented to me, after charges for the maintenance of the property, and after appropriations for depreciation; 2°, the Profit and Loss Account, after the payment of the Bond interest and of the preferred dividends; and 3°, the General Final Statement, prepared from the books, certified to by me, are correct exhibits of the Company's operations for the year, and of its position at the close, on the 31st March, 1916.

Yours truly,

ARTHUR H. PLIMSOLL,
F.C.A. (Can.)

